

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2009-AH-049**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

VS.

FINAL ORDER IMPOSING FINE

AMERICAN MORTGAGE CO. OF KY, LLC

RESPONDENT

Statement of Facts

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing mortgage loan companies and mortgage loan brokers in accordance with the provisions of KRS Chapter 286.8, the Mortgage Loan Company and Mortgage Loan Broker Act.

2. Respondent was formerly authorized to do business as a mortgage loan company or a mortgage loan broker in Kentucky located at 1035 Strader Drive, Suite 125, Lexington, Kentucky 40505, under license number MB7923. This license expired on December 31, 2008, and has not been renewed.

3. On July 22, 2008, the DFI conducted an examination of Respondent’s offices pursuant to its authority under KRE 286.8-140. This examination disclosed that Respondent was in violation of KRS 286.8-030(1)(d) for employing two loan originators to originate residential mortgage loans in Kentucky but who were not registered with the DFI.

4. On or about April 20, 2009, the DFI sent a letter to Respondent at its registered address notifying it of the above violations. The letter was returned as undeliverable because the Respondent had moved and left no forwarding address.

5. KRS 286.8-032(8)(b) requires a mortgage loan company or mortgage loan broker to notify the Commissioner of a change in the location or name of its business in writing at least ten (10) days prior to the change. Respondent failed to do so, and accordingly, Respondent is also in violation of KRS 286.8-032(8)(b).

6. On July 30, 2009, DFI filed an Administrative Complaint against Respondent seeking imposition of \$7,500 in fines against Respondent for two separate violations of KRS 286.8-030 and KRS 286.8-032. Respondent was served with a copy of the Complaint, via certified mail return receipt requested, on July 31, 2009. Respondent failed to respond to the complaint, and therefore no hearing was requested in this matter.

Statutory Authority

7. Pursuant to KRS 286.8-030 and KRS 286.8-090, it is unlawful for any mortgage loan broker or mortgage loan company to employ or use, with or without compensation, a mortgage loan originator or a mortgage loan processor if the mortgage loan originator or mortgage loan processor is not registered and regulated in accordance with KRS 286.8-255.

8. Pursuant to KRS 286.8-032(8)(b) it is unlawful for a mortgage loan company or mortgage loan broker to fail to notify the Commissioner of a change in the location or name of its business or the addition of any branch or branches in writing at least ten (10) days prior to the change.

9. Pursuant to KRS 286.8-046, the Commissioner may levy a civil penalty against any person who violates any provision of or administrative regulation promulgated under KRS Chapter 286.8. The civil penalty shall not be less than one thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) per violation.

Conclusions

Based on the foregoing, the commissioner determines as follows:

1. Respondent violated KRS 286.8-030 by employing or utilizing two (2) different unregistered loan originators to originate mortgage loans. Respondent is subject to a fine up to \$5,000 for these violations. Respondent also violated KRS 286.8-032 for failing to notify the Commissioner of a change of address or location. Respondent is subject to a fine of \$2,500 for this violation. Together, Respondent is subject to total fines not to exceed \$7,500.

2. Despite being properly served pursuant to KRS 13B-050(2) with an Administrative Complaint to the last known address of Respondent on July 31, 2009, Respondent failed to respond to the Complaint or request a hearing within twenty (20) days of service of the complaint as required by KRS 286.8-044. Thus, no hearing was held or deemed necessary in this matter.

Order

THEREFORE, based upon the foregoing statement of facts, statutory authority, and conclusions, the commissioner **HEREBY ORDERS** as follows:

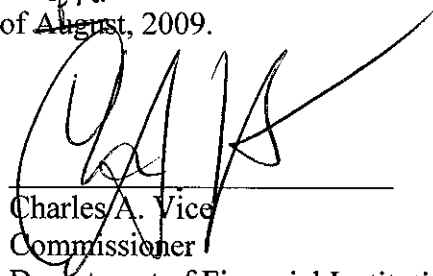
1. Respondent, American Mortgage Company of KY, LLC, shall pay a total fine for the violations detailed herein in the amount of seven thousand five hundred dollars (\$7,500), which shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and delivered to the Department of Financial Institutions, Attn: William Owsley, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, within ten (10) days of the effective date of this Order; and
2. This is a **FINAL ORDER**.

This **ORDER** shall become effective upon completion of service as set forth in KRS 13B.050(2).

Notice of Appeal Rights

Pursuant to KRS 13B.140, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you choose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within thirty (30) days after entry of this Order.

IT IS SO ORDERED on this the 30th day of ^{September}~~August~~, 2009.



Charles A. Vice
Commissioner
Department of Financial Institutions
1025 Capital Center Drive, Ste. 200
Frankfort, Kentucky 40601

Certificate of Service

This is to certify that a copy of the foregoing **Final Order** was served by mailing a true and correct copy of same on this 9th day of September, 2009 to the following:

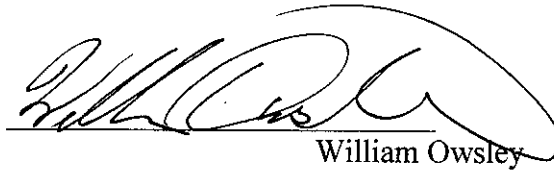
American Mortgage Co. of KY, LLC

1035 Strader Drive, Suite 125

Lexington, Kentucky 40505

ATTN: Lisa Mayes

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

A handwritten signature in black ink, appearing to read 'William Owsley', is written over a horizontal line.

William Owsley
Counsel for Complainant